

11. STRENGTHENING FEDERAL STATISTICS

Our economy's complexity, growth, and rapid structural changes require that public and private leaders have unbiased, relevant information on which to base their decisions. Data on real Gross Domestic Product (GDP), the Consumer Price Index (CPI), and the trade deficit, for example, have a major impact on government spending, budget projections, and the allocation of Federal funds. They also are critical inputs to monetary, fiscal, trade, and regulatory policy. Economic data, such as measures of price change, have as well a significant influence on interest rates and cost-of-living adjustments that affect every American who runs a business, saves for retirement, or obtains a mortgage.

Similarly, timely, comparable data on the characteristics of the U.S. population are essential to monitor societal changes. Of great import in 2002 will be the continuing delivery of Census 2000 data products used to allocate locally each year nearly \$200 billion in Federal funds. In recognition of its significance and in response to concerns about early planning and the quality of long-form data, the Census Bureau proposes to streamline the very complex decennial census process and to actively seek opportunities to innovate. The plan for the next decade is to completely reengineer the 2010 Census as part of a strategy to develop a more systematic, integrated, building-block approach for decennial and demographic data collection. This approach has three major components:

- a simplified 2010 Census and more timely data based on eliminating the long form through implementation of the American Community Survey (ACS);
- a single, continuously updated address universe and associated geographical products for use in all decennial and demographic programs; and
- a well-tested and planned 2010 Census design produced through systematic development prior to mid-decade operational testing.

The American Community Survey is a revolutionary, structural initiative of the statistical system that will provide community profiles similar to those from the decennial census on a far more current basis. For geographic areas with populations greater than 65,000, these profiles will be produced every year. For smaller areas, the ACS will accumulate or average data over several years to obtain annual estimates similar in quality and reliability to those currently available only once each decade. Thus, every jurisdiction ultimately will have annual information that illuminates change over time. (The official counts of the population will continue to come from the decennial census and the intercensal estimates program.) Because the American Community Survey will provide essentially the same information as the current decennial census long form,

the Census Bureau plans to eliminate the long form in the 2010 Census, thereby focusing that effort on counting the population using only the short form. In 2002, Phase II of developing the ACS occurs, in which data from the 1999–2001 ACS will be compared with Census 2000 results.

Under the aegis of the congressionally-mandated Interagency Council on Statistical Policy (ICSP), the principal statistical agencies continue to extend their collaborative endeavors to improve the overall performance and efficiency of the Federal statistical system. For example, the ICSP is supporting FedStats (www.fedstats.gov), the “one-stop shopping” Internet site for Federal statistics that permits easy access via an initial point of entry to the wide array of statistical information available to the public from more than 100 Federal agencies. In 2000, FedStats nearly doubled (from 40 to 77) the number of agencies whose data series are indexed there. In 2001, the FedStats team updated its home page based on recommendations from a usability work group, and enhanced its MapStats section to provide an interactive map-based application to access a variety of data at the State, county, congressional district, and Federal judicial district levels.

The statistical system is also working effectively to enhance the quality of data the agencies produce. For example, statistical agencies have developed proposed data sharing legislation that would permit limited sharing of confidential data among selected agencies solely for statistical purposes. Enactment of this legislation, and of a companion Treasury Department proposal that would make complementary changes to provisions set forth in the “Statistical Use” section of the Internal Revenue Code, will create a framework for statistical agencies to compare and improve the quality of their data.

Despite these accomplishments, rapid changes in our economy and society, and funding levels that challenge statistical agencies to keep pace with them, can threaten the relevance, accuracy, and timeliness of our Nation's key statistics. Any growing inability of our statistical system to mirror accurately our economy and society, including the unprecedented growth of electronic commerce, could undermine core government activities, such as the accurate allocation of scarce Federal funds. Fortunately, the most serious shortcomings of our statistical infrastructure would be substantially mitigated by five programs supported in the Administration's budget as well as a legislative initiative. In particular, these actions would:

- develop an integrated statistical base for analysis of the effects of E-business across our Nation's products and industries, including changes in the structure of investment, pricing, and distribution

practices (Bureau of Economic Analysis and Bureau of the Census);

- support the tabulation, analysis, and dissemination of Census 2000 data in order to reap the benefits of Census 2000 investments (Bureau of the Census);
- support early planning for the 2010 Census predicated on a fundamental reengineering of the census process (Bureau of the Census);
- continue implementation of the American Community Survey program to produce far more timely data for States and local areas that will be used for various purposes, including the distribution of nearly \$200 billion in Federal funds annually (Bureau of the Census);
- improve coverage of the construction and service sectors in the Producer Price Index (which may also produce methodological techniques that further improve the Consumer Price Index) and enhance coverage of the service sector in BLS productivity estimates (Bureau of Labor Statistics); and
- provide new statutory authority for the limited sharing of data among designated Federal agen-

cies solely for statistical purposes. The proposed changes would permit these statistical agencies to manage information in many important respects as if they were part of a single agency, thereby increasing the accuracy of statistical estimates and the efficiency of Federal data collection.

Taken together, statistics produced by the Federal Government on demographic, economic, and social conditions and trends are essential to inform decisions that are made by virtually every organization and household in our Nation. The U.S. Federal statistical system comprises some 70 agencies that collect, analyze, and disseminate information for use by governments, businesses, researchers, and the public. Approximately one third of the funding for the statistical system provides resources for ten agencies that have statistical activities as their principal mission. (Please see Table 11-1.) The remaining funding is spread among some sixty agencies that carry out statistical activities in conjunction with other missions such as providing services or enforcing regulations. The following highlights elaborate on the Administration's proposals to strengthen the programs of the principal Federal statistical agencies.

HIGHLIGHTS OF 2002 PROGRAM PROPOSALS FOR PRINCIPAL STATISTICAL AGENCIES

Bureau of Economic Analysis: Funding is requested to address critical gaps in coverage and the growing measurement error in Gross Domestic Product (GDP) and the national income accounts. BEA will develop new data sources and methods to improve measurement of the services industry, including telecommunications and other E-business related services; savings, investment and household wealth; international trade and finance; and derivative instruments, and will incorporate this information into the economic accounts. BEA will work with other statistical agencies to: (1) ensure that E-business, including related investment, is captured in estimates of GDP and other economic accounts data, and (2) develop estimates of the impact of E-business across products and industries, including investment, prices, and distribution. In addition, BEA will upgrade its computer and data handling capabilities to protect and disseminate its data and meet the demands of these improved measures of economic performance. Without such improvements, timely release of the GDP and related measures would be put at risk.

Bureau of Justice Statistics: Funding is requested to: (1) design and field a statistical series on the nature and consequences of routine traffic stops based on administrative data from law enforcement agencies and supplemental data from the National Crime Victimization Survey (NCVS) to learn about the public's experience relating to traffic stops; (2) implement a voluntary reporting system of deaths of persons while in law enforcement custody as required by the Deaths in Custody Act of 2000 that will include reports, submitted quarterly by States, on the death of any person who is in the process of arrest, is en route to be incarcerated,

or is incarcerated at a municipal or county jail, State prison, or other local or State correctional facility; (3) initiate the conversion of the NCVS interviewing and data collection activities from primarily a paper and pencil operation to a fully computerized system; (4) develop a methodology and initiate preliminary testing of potential questions to be used to enhance the NCVS to measure victimization of the disabled population in the United States as required by the Crime Victims with Disabilities Awareness Act; and (5) continue the Cybercrime Statistical Program, initiated in 2001, designed to measure changes in the incidence, magnitude, and consequences of electronic crime.

Bureau of Labor Statistics: Funding is requested to: (1) begin a new effort to fundamentally change the way the Consumer Price Index is revised and updated by instituting a process for continuous improvement in place of the periodic major revisions that were undertaken about every ten years; (2) enhance BLS' data security program and start replacing much of its decade-old local area network (LAN) infrastructure with a more current and capable LAN system through a central Department of Labor appropriation; (3) proceed with development of a new survey to measure how Americans spend their time in order to improve assessments of national well-being, and produce diary estimates of time spent in market work to evaluate existing estimates of work hours; (4) continue work to extend Producer Price Index coverage for the first time to the construction sector of the U.S. economy and to enhance service sector coverage; (5) proceed with development of new industry labor and multifactor productivity series for the service-producing sector; and (6) continue

to improve the statistical quality of local area unemployment statistics.

Bureau of the Census: Funding is requested for Census 2000, Census 2010 Planning, and for the Census Bureau's economic and demographic programs. For Census 2000, funding is requested to: (1) continue to disseminate data products; (2) manage remaining activities to complete Census 2000; (3) ensure that the contracts for data capture are closed out efficiently; (4) respond to concerns from local and tribal governments about the accuracy of the census counts via the Count Question Resolution program; (5) compare data from the American Community Survey (ACS) with Census 2000 results; and (6) continue evaluating census operations. For the 2010 Census, funding is requested to provide for adequate testing and simplified data collection by: (1) establishing an early design and testing infrastructure to allow complete testing of all major elements of the 2010 Census design; (2) developing the Long Form Transitional Database to enable re-engineering of the 2010 Census through use of the ACS to collect long form data; and (3) replacing the MAF/TIGER system with one that uses Global Positioning System technology and satellite mapping imagery to update and improve the Census 2000 address information. For Census Bureau economic and demographic programs, funding is requested to: (1) maintain the program to measure E-business; (2) redesign samples for household surveys based on Census 2000 data; and (3) begin implementation of the 2002 Economic Censuses and Census of Governments.

Bureau of Transportation Statistics: Funding is requested to: (1) implement the Safety Data Action Plan, a series of projects to improve the quality, comparability, and timeliness of transportation safety data and to better understand accident causation; (2) improve the collection and analysis of aviation data, particularly data related to flight delay and airline competition; (3) continue developing the Intermodal Transportation Data Base, a web-based portal that provides one-stop shopping for transportation data; (4) expand the National Transportation Library, which provides access to the Nation's transportation research and planning literature via the Internet; (5) collect data on travel behavior, freight movement, customer satisfaction, and motor carrier operations; (6) strengthen transportation data analysis and study emerging trends; (7) improve statistical tools for geo-spatial data analyses and promote their use in transportation applications; (8) ensure the reliability of DOT's GPRA performance measurement data and develop measures for DOT's new strategic goals; and (9) publish the monthly Transportation Indicators report, the congressionally-mandated Transportation Statistics Annual Report, and its companion, the National Transportation Statistics report.

Economic Research Service: Funding is requested to: (1) provide economic analysis and expert witness litigation support related to the Pigford Consent Decree which resulted from a class action lawsuit that alleged racial discrimination in the administration of USDA

farm loan and benefit programs, and (2) publish information on retail purchases of representative meat products required by the Mandatory Price Reporting Act of 1999.

Energy Information Administration: Funding is requested to continue: (1) overhauling the natural gas and electricity surveys and data systems to accommodate the changes in these industries brought on by deregulation and restructuring; (2) updating EIA's 20-year-old energy consumption surveys; (3) improving the data quality and accuracy in crude oil, diesel, gasoline, and natural gas production surveys; (4) modifying surveys to reflect changes under Tier II of the Clean Air Act Amendments, and (5) integrating information processing infrastructure upgrades to enhance energy data collection, analyses, and dissemination, and meet Government Paperwork Elimination Act requirements.

National Agricultural Statistics Service: Funding is requested to: (1) finalize preparations for data collection and processing for the 2002 Census of Agriculture that include printing over three million questionnaires and other materials; developing final procedures for mailout and processing; designing and testing computer systems; developing State and national management and tabulation plans; preparing for the census in Puerto Rico and insular areas; training; and developing dissemination mechanisms for both electronic and printed media; and (2) establish a computer security architecture to increase protection of market-sensitive and confidential data from cybersecurity threats.

National Center for Education Statistics: Funding is requested to administer State-level reading and mathematics assessments for the National Assessment of Educational Progress (NAEP) annually in grades 4 and 8, as well as to continue the current NAEP assessment program. Funding is also requested to continue support for: (1) an institutional census survey program that provides information on elementary, secondary, and postsecondary education and on libraries; (2) a special cross-sectional surveys program that collects and reports data on a wide variety of topics, including schools and school staff, adult literacy, postsecondary faculty, and postsecondary student aid; (3) a longitudinal surveys program that includes the Early Childhood Longitudinal Studies' Birth and Kindergarten cohorts, the Education Longitudinal Study of 2002 which will follow a nationally representative sample of high school students, and two postsecondary surveys, the Beginning Postsecondary Longitudinal Survey and the Baccalaureate and Beyond; (4) an international studies program that includes a variety of projects, such as the Third International Mathematics and Science Study-Repeat (TIMSS-R); (5) a statistical standards and reporting program designed to enhance the quality and usefulness of NCES data; and (6) training, technical assistance, and dissemination projects.

National Center for Health Statistics: Funding is requested to: (1) continue to stabilize and rebuild core data systems as part of an ongoing effort to maintain existing data systems while retooling to meet new data

needs and more fully utilize new technology and methods; (2) support updating the design of household survey samples based on Census 2000 data; and (3) provide information critical to monitoring the dynamics of health and health care, and provide the underpinnings for biomedical research, health policy,

and public health practice through support of the National Health Interview Survey, the National Health and Nutrition Examination Survey, the National Vital Statistics System, and the National Health Care Survey.

Table 11-1. 2000-2002 BUDGET AUTHORITY FOR PRINCIPAL STATISTICAL AGENCIES

(In millions of dollars)

	2000 actual	2001 estimate	2002 estimate
Bureau of Economic Analysis	43.8	48.1	56.6
Bureau of Justice Statistics	25.5	29.0	30.5
Bureau of Labor Statistics	413.2	^{1, 2} 450.9	³ 468.3
Bureau of the Census	4,749.7	^{2, 4} 429.2	543.4
Periodic Censuses and Programs	4,609.3	⁴ 272.3	374.8
Salaries and Expenses	140.0	156.8	168.6
Bureau of Transportation Statistics	31.0	31.0	43.8
Economic Research Service	64.1	65.9	67.0
Energy Information Administration	72.4	75.5	75.5
National Agricultural Statistics Service ⁵	99.4	100.6	113.8
National Center for Education Statistics	108.0	120.0	193.1
Statistics	68.0	80.0	84.0
Assessment	36.0	36.0	105.0
National Assessment Governing Board	4.0	4.0	4.1
National Center for Health Statistics	111.8	122.4	127.0
PHS Evaluation Funds	71.7	71.7	127.0
Budget Authority	40.1	50.7	0.0

¹ Includes a transfer of \$20.7 million from elsewhere in the Department of Labor to centralize the preparation of labor market information.

² Includes rescission (P.L. 106-554).

³ Total reflects a financing charge that reduces the 2002 total by \$7.5 million.

⁴ Does not include \$260 million in carry-over funding made available to the Census Bureau in 2001 from funds appropriated for the Decennial Census in 2000, resulting in a 2001 program level of \$689.2 million.

⁵ Includes funds for the periodic Census of Agriculture and Special Studies of \$16.5, \$15.0, and \$25.0 (million) in 2000, 2001, and 2002, respectively.